

Exhibit No. 4Date 4-16-2013Bill No. HB377Amendments to House Bill No. 377
3rd Reading Copy

Requested by Senator Jon Sesso

For the Senate Finance and Claims Committee

Prepared by Sheri Scurr
April 16, 2013 (9:29am)

1. Title, line 18 through line 19.
Strike: "STATUTORILY" on line 18 through "SYSTEM;" on line 19
Insert: "PROVIDING APPROPRIATIONS;"
2. Title, line 21.
Strike: "19-20-621,"
Insert: "19-20-607,"
3. Title, line 22.
Strike: "20-9-622,"
4. Page 13, line 2.
Strike: "AND (1) (C)"
Insert: "through (1) (d)"
5. Page 13, line 3.
Strike: "1%"
Insert: "the percentage specified in subsection (1) (b)"
6. Page 13.
Following: line 4
Insert: "(b) The percentage of compensation to be contributed under subsection (1)(a) is 1% for fiscal year 2014 and increases by 0.1% each fiscal year through fiscal year 2024. For fiscal years beginning after June 30, 2024, the percentage of compensation to be contributed under subsection (1)(a) is 2%."
Renumber: subsequent subsections
7. Page 13, line 13.
Strike: "(1) (B)"
Insert: "(1) (c)"
8. Page 13, line 22 through page 14, line 9.
Strike: section 9 in its entirety
Insert: "**Section 9.** Section 19-20-607, MCA, is amended to read:
"19-20-607. **Supplemental state contribution --
appropriation.** (1) (a) Each month, the state shall contribute, as a supplemental contribution to the teachers' retirement system, from the general fund to the pension trust fund an amount

equal to:

~~(a) beginning July 1, 2007, through June 30, 2009, 2% of the total earned compensation of school district and community college active members participating in the system; and~~

~~(b) beginning July 1, 2009, 2.38% of the total earned compensation of school district and community college active members participating in the system.~~

(b) (i) Except as provided in subsection (1)(b)(ii), beginning [the effective date of this act] and on each July 1 thereafter, the state shall contribute from the general fund to the pension trust fund \$25 million as a supplemental contribution to the teachers' retirement system.

(ii) If the legislative finance committee determines that the teachers' retirement board has failed to provide a sufficient report pursuant to [section 20], \$5 million must be subtracted from the amount allocated in subsection (1)(b)(i).

(2) The contributions are statutorily appropriated, as provided in 17-7-502, to the pension trust fund. The board shall determine and shall certify to the state treasurer amounts due under this section on a monthly basis. The state treasurer shall transfer the certified amounts to the pension trust fund within 1 week following receipt of the certification from the board."

{Internal References to 19-20-607:

17-7-502 19-20-716 19-20-732 all ok/ddb}"

9. Page 16, line 8 through line 14.

Strike: "be" on line 8 through "increased." on line 14.

Insert: ", if the most recent actuarial valuation of the retirement system shows that retirement system liabilities are at least 90% funded and the provision of the increase is not projected to cause the system's liabilities to be less than 85% funded, be increased by an amount equal to or greater than 0.5% but no more than 1.5%, as set by the retirement board."

10. Page 25, line 20 through page 26, line 6.

Strike: section 20 in its entirety

Insert: "NEW SECTION. Section 20. Board to make special report. As soon as possible after the completion of each annual actuarial valuation for the teachers' retirement system, the board shall have its actuary present a detailed actuarial report to the legislative finance committee, provided for in 5-12-201, and the state administration and veterans' affairs interim committee, provided for in 5-5-228. The actuarial report must provide a trend analysis of the system's actual and projected progress toward 100% funding."

Renumber: subsequent sections

11. Page 27, line 16.

Strike: "September"

Insert: "October"

12. Page 27.

Following: line 22

Insert: "NEW SECTION. Section 23. Appropriations. (1) For the fiscal year beginning July 1, 2013, there is appropriated from the general fund for the purpose of making the supplemental employer contributions in [section 8]:

(a) to the office of budget and program planning, the following amounts from the indicated fund:

(i) \$41,813 from the general fund;

(ii) \$597 from the state special revenue fund; and

(iii) \$17,323 from the federal special revenue fund;

(b) to the Montana university system, \$191,725 from the general fund; and

(c) to the office of public instruction for school BASE aid, \$2,061,932 from the general fund.

(2) For the fiscal year beginning July 1, 2014, there is appropriated from the general fund for the purpose of making the supplemental employer contributions in [section 8]:

(a) to the office of budget and program planning, the following amounts from the indicated fund:

(i) \$45,995 from the general fund;

(ii) \$657 from the state special revenue fund; and

(iii) \$19,055 from the federal special revenue fund;

(b) to the Montana university system, \$210,898 from the general fund; and

(c) to the office of public instruction for school BASE aid, \$2,370,191 from the general fund."

Renumber: subsequent sections

13. Page 27, line 24.

Following: "instruction."

Insert: "(1)"

14. Page 27.

Following: line 26

Insert: "(2) [Section 20] is intended to be codified as an integral part of Title 19, chapter 20, part 2, and the provisions of Title 19, chapter 20, part 2, apply to [section 20]."

- END -